

**STATEMENT OF
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BEFORE THE
HOUSE COMMITTEE ON VETERANS' AFFAIRS
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY**

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Good afternoon Chairwoman Herseth-Sandlin, Ranking Member Boozman, and members of the Subcommittee. I appreciate the opportunity to appear before you today to discuss the Department of Veterans Affairs (VA) accelerated payment program. My testimony will provide an overview of the accelerated payment benefit and the courses of study that qualify for accelerated payment.

Under Section 3014A, title 38, United States Code, a Montgomery GI Bill participant pursuing high cost courses leading to employment in a high technology occupation in a high technology industry has the option of receiving an accelerated benefit payment. This optional lump-sum accelerated benefit payment covers up to 60 percent of tuition and fees. Currently, accelerated payments are only available under the Montgomery GI Bill - Active Duty (MGIB – AD) program.

VA makes accelerated payments for one term, quarter, or semester at a time. However, if the program is not offered on a term, quarter, or semester basis, an accelerated payment is made for the entire program.

To qualify the individual must be enrolled in a high technology program and must certify that he or she intends to seek employment in a high technology industry as defined by VA. In consultation with the Department of Education, VA has defined the following industries as high technology: biotechnology, life science technologies, opto-electronics, computers and telecommunications, electronics, computer-integrated manufacturing, material design, aerospace, weapons, and nuclear technology.

In addition, the program of study undertaken must have a sufficiently high cost. The tuition and fees for the program of education, when divided by the number of months in the enrollment period, must exceed 200 percent of the monthly rate of basic educational assistance allowance otherwise payable. School-related expenses, including books, supplies, and general living expenses, may not be counted when determining entitlement to accelerated payments.

If these criteria are met, the individual will receive an accelerated payment in lieu of the monthly MGIB-AD benefits that he or she would otherwise receive for the covered enrollment period. Payment is generally sent directly to the eligible individual.

Accelerated payments are granted for a variety of courses of study and for both degree and non-degree programs. The following courses of study may qualify for accelerated payments:

- Life science or physical science (but not social science)
- Engineering (all fields)
- Mathematics
- Computer specialties or management

Short non-degree courses in these areas may also qualify for accelerated payments if they are approved for VA benefits by a State approving agency (SAA).

An individual must include his or her request for an accelerated payment with the enrollment information sent from the school to VA for processing. The request for an accelerated payment should include the individual's certification that he or she plans to seek employment in a high-technology industry.

If an individual is approved to receive an accelerated payment, his or her entitlement will be charged based on the amount of payment received. VA will divide the amount of the accelerated payment by the amount of the individual's full-time monthly rate, and his or her entitlement will be reduced by the resulting number of months and days. For example, if a trainee receives an accelerated payment of \$3,600 and his or her full-time rate is \$900, VA will charge four months of entitlement ($\$3,600/\$900 = 4$ months).

As noted previously, the accelerated payment program is only available to individuals eligible for MGIB – AD benefits. Since the accelerated payment program's inception in FY2003, we have received 4,808 accelerated payment claims through March 31, 2007. We have granted 4,045 claims and paid almost \$26 million in accelerated payments. The average payment amount is approximately \$6,400.

We believe the utilization of the accelerated payment program indicates that this provision of MGIB - AD has filled a niche in assisting eligible individuals with their readjustment to civilian life and preparing them for critical roles in a 21st century economy.

Madame Chairwoman, this concludes my statement. I would be pleased to answer any questions you or any of the other members of the committee may have.